

Senate Study Bill 1140 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
TRANSPORTATION BILL BY
CHAIRPERSON KAPUCIAN)

A BILL FOR

1 An Act relating to dealers and lienholders of motor vehicles
2 and travel trailers, and providing penalties.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.30, subsection 1, Code 2017, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *n.* If the applicant has not paid a
4 delinquent registration fee charged to the applicant pursuant
5 to section 321.48A.

6 Sec. 2. Section 321.40, Code 2017, is amended by adding the
7 following new subsection:

8 NEW SUBSECTION. 5A. The county treasurer shall refuse to
9 renew the registration of a vehicle registered to the applicant
10 if the applicant has not paid a delinquent registration fee
11 charged to the applicant pursuant to section 321.48A.

12 Sec. 3. NEW SECTION. **321.48A Dealers — delinquent**
13 **registration fees.**

14 Notwithstanding section 321.46, subsection 4, or any other
15 provision of law to the contrary, if a dealer licensed pursuant
16 to chapter 322 acquires a motor vehicle at a wholesale auction
17 for the purpose of resale, and the annual registration fee
18 for the vehicle was delinquent at the time the vehicle was
19 acquired by the dealer, the dealer may register the vehicle and
20 be issued a certificate of title for the vehicle upon proper
21 application as provided in this chapter without paying the
22 delinquent registration fee or any penalty on the delinquent
23 registration fee. The delinquent registration fee and any
24 penalty on the delinquent registration fee shall be charged to
25 the registered owner of the vehicle at the time the fee became
26 delinquent, and shall be collected from such owner by a county
27 treasurer at the time the owner applies for registration,
28 registration renewal, or issuance of a certificate of title for
29 another vehicle.

30 Sec. 4. Section 321.89, subsection 3, paragraph a, Code
31 2017, is amended to read as follows:

32 *a.* A police authority or private entity that takes into
33 custody an abandoned vehicle shall notify, within twenty five
34 days, by certified mail, the last known registered owner of
35 the vehicle, all lienholders of record, and any other known

1 claimant to the vehicle or to personal property found in the
2 vehicle, addressed to the parties' last known addresses of
3 record, that the abandoned vehicle has been taken into custody.
4 Notice shall be deemed given when mailed. The notice shall
5 describe the year, make, model, and vehicle identification
6 number of the vehicle, describe the personal property found
7 in the vehicle, set forth the location of the facility where
8 the vehicle is being held, and inform the persons receiving
9 the notice of their right to reclaim the vehicle and personal
10 property within ten days after the effective date of the
11 notice upon payment of all towing, preservation, and storage
12 charges resulting from placing the vehicle in custody and
13 upon payment of the costs of notice required pursuant to this
14 subsection. The notice shall also state that the failure of
15 the owner, lienholders, or claimants to exercise their right
16 to reclaim the vehicle or personal property within the time
17 provided shall be deemed a waiver by the owner, lienholders,
18 and claimants of all right, title, claim, and interest in the
19 vehicle or personal property and that failure to reclaim the
20 vehicle or personal property is deemed consent to the sale of
21 the vehicle at a public auction or disposal of the vehicle to a
22 demolisher and to disposal of the personal property by sale or
23 destruction. If the abandoned vehicle was taken into custody
24 by a private entity without a police authority's initiative,
25 the notice shall state that the private entity may claim a
26 garagekeeper's lien as described in section 321.90, subsection
27 1, and may proceed to sell or dispose of the vehicle. If the
28 abandoned vehicle was taken into custody by a police authority
29 or by a private entity hired by a police authority, the notice
30 shall state that any person claiming rightful possession of
31 the vehicle or personal property who disputes the planned
32 disposition of the vehicle or property by the police authority
33 or private entity or of the assessment of fees and charges
34 provided by [this section](#) may ask for an evidentiary hearing
35 before the police authority to contest those matters. If the

1 persons receiving notice do not ask for a hearing or exercise
2 their right to reclaim the vehicle or personal property within
3 the ten-day reclaiming period, the owner, lienholders, or
4 claimants shall no longer have any right, title, claim, or
5 interest in or to the vehicle or the personal property. A
6 court in any case in law or equity shall not recognize any
7 right, title, claim, or interest of the owner, lienholders,
8 or claimants after the expiration of the ten-day reclaiming
9 period.

10 Sec. 5. Section 322.5, subsection 2, paragraph a, Code 2017,
11 is amended to read as follows:

12 a. In addition to selling motor vehicles at the motor
13 vehicle dealer's principal place of business and at car lots, a
14 motor vehicle dealer may do any of the following:

15 (1) Display ~~new~~ motor vehicles at fairs, vehicle shows,
16 and vehicle exhibitions, upon application for and receipt of a
17 temporary permit issued by the department.

18 (2) Display, offer for sale, and negotiate sales of ~~new~~
19 motor vehicles at fair events, as defined in [chapter 174](#), the
20 state fair, as discussed in [chapter 173](#), vehicle shows, and
21 vehicle exhibitions, upon application for and receipt of a
22 temporary permit issued by the department. Such activities
23 may only be conducted at a fair event, the state fair, a
24 vehicle show, or a vehicle exhibition, if the fair event,
25 state fair, vehicle show, or vehicle exhibition is held in
26 the motor vehicle dealer's community, as defined in section
27 322A.1, for the vehicles that are displayed and offered for
28 sale. A sale of a motor vehicle by a motor vehicle dealer
29 shall not be completed and an agreement for the sale of a motor
30 vehicle shall not be signed at a fair event, the state fair, a
31 vehicle show, or a vehicle exhibition. All such sales shall
32 be consummated at the motor vehicle dealer's principal place
33 of business.

34 Sec. 6. NEW SECTION. 322.37 Record retention.

35 1. A motor vehicle dealer licensed under this chapter shall

1 retain paper or electronic records of all purchases or sales of
2 motor vehicles made by the dealer. The records shall contain
3 all of the following:

4 a. Each motor vehicle's make, model, model year, vehicle
5 identification number, and odometer reading at the time of
6 purchase or sale.

7 b. The name and address of the seller or purchaser.

8 c. The seller's or purchaser's driver's license or
9 nonoperator's identification card number, or if the seller or
10 purchaser is licensed to buy or sell motor vehicles in this
11 state, the number of such a license.

12 2. The records shall be retained at a facility or office
13 of the motor vehicle dealer located within this state for
14 five years after the purchase or sale of the vehicle, and
15 the location's address and the contact information for the
16 designated agent responsible for the records shall be provided
17 to the department.

18 3. The department shall have access to a motor vehicle
19 dealer's records within a reasonable period of time of a
20 request by the department to review the motor vehicle dealer's
21 records.

22 Sec. 7. Section 322C.11, Code 2017, is amended to read as
23 follows:

24 **322C.11 Penalties.**

25 A person violating a provision of [section 322C.3](#) or [322C.7](#)
26 is guilty of a serious misdemeanor. A person violating a
27 provision of section 322C.13 is guilty of a simple misdemeanor
28 punishable by a fine of not less than two hundred fifty
29 dollars nor more than one thousand five hundred dollars or by
30 imprisonment not to exceed thirty days.

31 Sec. 8. NEW SECTION. **322C.13 Record retention.**

32 1. A travel trailer dealer licensed under this chapter shall
33 retain paper or electronic records of all purchases or sales of
34 travel trailers made by the dealer. The records shall contain
35 all of the following:

1 a. Each travel trailer's make, model, model year, and
2 vehicle identification number.

3 *b.* The name and address of the seller or purchaser.

4 c. The seller's or purchaser's driver's license or
5 nonoperator's identification card number, or if the seller or
6 purchaser is licensed to buy or sell travel trailers in this
7 state, the number of such a license.

8 2. The records shall be retained at a facility or office
9 of the travel trailer dealer located within this state for
10 five years after the purchase or sale of the travel trailer,
11 and the location's address and the contact information for the
12 designated agent responsible for the records shall be provided
13 to the department.

14 3. The department shall have access to a travel trailer
15 dealer's records within a reasonable period of time of a
16 request by the department to review the travel trailer dealer's
17 records.

18 EXPLANATION

19 The inclusion of this explanation does not constitute agreement with
20 the explanation's substance by the members of the general assembly.

21 This bill provides that a licensed motor vehicle dealer who
22 has acquired a vehicle at a wholesale auction for the purpose
23 of resale, and the annual registration fee for the vehicle
24 was delinquent at the time the vehicle was acquired by the
25 dealer, is permitted to register the vehicle and be issued a
26 certificate of title for the vehicle upon proper application
27 without paying the delinquent registration fee or any penalty
28 on the delinquent registration fee. The bill requires the
29 delinquent registration fee and any penalty on the delinquent
30 registration fee to be charged to the registered owner of
31 the vehicle at the time the fee became delinquent, and to be
32 collected from such owner by a county treasurer at the time
33 the owner applies for registration, registration renewal,
34 or issuance of a certificate of title for another vehicle.
35 The bill provides that any application for registration,

1 registration renewal, or issuance of a certificate of title
2 for another vehicle by the owner must be refused if the owner
3 has not paid a delinquent registration fee charged to the
4 owner under the bill. However, the bill does not authorize
5 the department of transportation (DOT) to suspend or revoke a
6 current registration of the owner under Code section 321.101.

7 The bill decreases the period of time within which a
8 police authority or private entity that takes into custody an
9 abandoned vehicle is required to notify by certified mail the
10 last known registered owner of the vehicle, all lienholders
11 of record, and any other known claimant to the vehicle or to
12 personal property found in the vehicle from 20 days to five
13 days.

14 Under current law, licensed motor vehicle dealers are
15 permitted to display, offer for sale, and negotiate sales
16 of new motor vehicles at fairs, vehicle shows, and vehicle
17 exhibitions. The bill permits licensed motor vehicle dealers
18 to display, offer for sale, and negotiate sales of all motor
19 vehicles at fairs, vehicle shows, and vehicle exhibitions.

20 The bill requires licensed motor vehicle dealers to retain
21 paper or electronic records of all purchases or sales of
22 motor vehicles made by the dealer. The bill requires the
23 records to contain each vehicle's make, model, model year,
24 vehicle identification number, and odometer reading at the
25 time of purchase or sale; the name and address of the seller
26 or purchaser; and the seller's or purchaser's driver's license
27 or nonoperator's identification card number, or if the seller
28 or purchaser is licensed to buy or sell motor vehicles in
29 this state, the number of such a license. The bill further
30 requires the records to be retained at a facility or office of
31 the motor vehicle dealer located within this state for five
32 years after the purchase or sale of the vehicle, and requires
33 the location's address and the contact information for the
34 designated agent responsible for the records to be provided to
35 the DOT. The bill permits the DOT to have access to a dealer's

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1 records within a reasonable period of time of a request by the
2 DOT to review the dealer's records. The bill applies similar
3 record retention requirements to licensed travel trailer
4 dealers. Under Code section 322.14 and as provided by the
5 bill, a violation of these provisions is a simple misdemeanor
6 punishable by a fine of not less than \$250 nor more than \$1,500
7 or by imprisonment not to exceed 30 days.